

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

29 - 31 JANUARY 1964

~~TOP SECRET~~

31 January 1964

1. Cyprus: As the haggling about a peacekeeping force drags on, the situation on the island has lost none of its tenseness.

The Cypriots themselves continue to prepare for the worst, especially the extremist elements with which both sides are richly endowed.

Both Greek and Turk Cypriots have been at the ready for many weeks now. Tempers have been honed to a fine edge.

Athens and Ankara are keeping a watchful eye on all this and are prepared to intervene at a moment's notice.

The armed forces of the two countries have been brought to a high state of preparedness.

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[redacted]
[redacted] Turkish ground forces on Wednesday were observed moving to dockside at the Turkish base nearest Cyprus.

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The Greek armed forces have moved troops and naval vessels into advanced positions in Crete.

We believe, however, that Ankara and Athens appreciate the consequences of a move on their part and would be most reluctant to move.

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2. USSR-Cyprus: After lying low for several weeks, the Sovlets now seem to be trying their Sunday best to muddy the Cyprus issue.

They have responded to Makarios' pleas for support against Turkish intervention with a public statement denouncing any foreign intervention.

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3. South Vietnam: General Khanh is moving to consolidate his control and minimize the confusion following the Thursday coup.

He is considering a war cabinet of five posts with ultimate power firmly in his own hands. For the present he will try to avoid a wholesale reshuffle at the provincial and corps level.

(Cont'd)

Khanh, a forceful, highly intelligent and pro-American officer, has, we think, a chance of building a strong personal power position.

His move was apparently based on a conviction that the corps commanders of which he was one were being left out in the cold. Also, [] he was trying to checkmate certain leading generals who were thought to be overly receptive to French hints about a neutralized South Vietnam.

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These feelings were, it seems, shared by other field commanders, all of whom supported Khanh.

[]
scheme afoot to free those arrested.

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Khanh has promised there will be only minimal interruption of the war effort against the Communists.

Up to now the Viet Cong have not moved to exploit the confusion, but it took a week last time for their reaction to take shape. They have, however, declared a week-long cease-fire to mark Lunar New Year's (Feb. 11).

4. France-China: The China recognition tangle is stuck on dead center.

De Gaulle declined to be led into the thicket at his month's-end press conference. He, for one, seems resigned to having the matter simmer along this way for some time in the hope that something may turn up.

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The Chinese Nationalists are sitting tight in Paris, but they are not feeling at all easy about it. There is a strong feeling in official Taipei that a break with the "perfidious and deceptive" French will be necessary.

As matters now stand no other country has followed the De Gaulle lead. Those tempted are waiting in the wings to see how the Paris-Taipei-Peiping triangle works itself out.

5. Indonesia-Malaysia: The week-old cease-fire, though generally successful, has been punctuated by several incidents of gunplay between British security forces and Indonesian forces

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Peacemakers on all sides are concerned that further encounters in the jungles will cast a pall over the up-coming Maphilindo conference in Bangkok. U Thant is still trying to get Indonesian concurrence for a UN team to keep an eye on the cease-fire.

It now looks as if these talks will be held either just before or just after Macapagal's 8-13 February visit to Phnom Penh.

The Indonesians will go to the conference table confident that their policy toward Malaysia has been eminently successful.



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6. East Africa: British troops have the security situation effectively in hand in Tanganyika, Uganda, and Kenya, but matters in Zanzibar are in a highly volatile state.

The marriage of convenience between pro-Communists there and legitimate African nationalists is inherently unstable, and there is every likelihood the Communists will come to dominate the situation, if, indeed, they do not do so already.

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Zanzibar could thus turn into a most useful Communist base from which to fund, arm, and direct the sort of thing that happened in Zanzibar anywhere from the Horn to the Cape.

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The possibility of subversion from Zanzibar worries the leaders of the three mainland states. They all suspect that the Chinese Communists and the Cubans had a hand in their own troubles.

Accordingly, they have now cancelled out on the touring Chou En-lai and have taken steps to curtail the activities of Chinese and Cuban diplomats.

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7. USSR-US: The Soviets are letting it be known that they foresee little forward movement in their relations with the US, at least until after the elections..

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8. Panama: Panama seems determined to press its charges of US aggression despite a feeling by some OAS members that the Chiari government has handled the matter badly and has pushed things with the US too far.

In Panama, pressure groups which have formed all around Chiari to make sure he holds fast have been encouraged by their success to date. Activists are redoubling their efforts to keep the public in a high state of agitation.

The tempo of violence and sabotage may quicken again as the normally festive pre-Lenten season this year is turned into an occasion for whipping up nationalist, anti-US fervor.

9. Bolivia: The party convention finished its work last Tuesday by expelling Vice President Lechin.

The party's extreme left wing will probably now hold a rump convention and nominate Lechin for President.

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Lechin, however, may despair of getting rid of Paz at the polls and organize a coup to overthrow him.

10. Ecuador: Student disturbances came a day later than we expected and were not very effective against strong police counter-measures. All the elements for continued instability are, however, still very much present.

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12. Laos: The Pathet Lao, with a sprinkling of North Vietnamese, have gained control over the Na Kay area in south-central Laos. As is usually the case, the rightist and neutralist side just melted away in the face of Communist pressure.

13. Cambodia: Ambassador Sprouse concludes that Sihanouk's recent swing through Southeast Asia will feed his already notable vanity and make him and his anti-American proclivities even more difficult to deal with in the future.